

# The Small Business Investment and Promotion Act



## Reliable Tax Credit for Innovation

The Research and Development Tax Credit is a vital economic tool that allows businesses to recover a portion of the money spent on researching new and innovative products and technologies.

However, this important tax credit has been plagued by uncertainty. It has never been a permanent part of the tax code and was even allowed to lapse completely during one tax year. The volatility of this tax credit (also known as the Research and Experimentation Tax Credit) makes it more difficult for businesses to make innovation a long term part of their business plan.

Even manufacturers who don't rely on this tax credit themselves benefit when innovators who claim the tax credit create new products, since these research firms often contract out to manufacturers to produce new and innovative products.

By eliminating the law's current sunset clause and making the Research and Development Tax Credit permanent, the Small Business Investment and Promotion Act would enable businesses to build long term innovation into their plans.

